

Meeting Summary
Affordable Housing Advisory Board (AHAB)
January 31, 2007 – 10 a.m. to 2 p.m.
Radisson Hotel – Seatac

ATTENDEES:

Committee Members: Hugh Spitzer (Chair), Christine Walsh Rogers, Edward Palmer, Joseph Diehl, Paul Purcell, Tony To, Chris Lowell, Lynn Davison, Renee Rooker, Thomas Moak, Joan Hernandez, Will Graham

Staff: Heather Ballash, Teri Ramsauer, Christina Aravena, Jeff Spring

AGENDA ITEMS:

Welcome and Introductions
Board Vacancies
Proposed Bylaws Amendments
Legislative Discussion
Draft Legislation for Valuation of Rental Property
Mobile Home Park Closures and Relocation

WELCOME/INTRODUCTIONS:

Hugh introduced new members, Will Graham, and Edward Palmer

BOARD VACANCIES: Hugh reported the position vacancies on the Board; he met with Shana Melanson (Boards and Commissions contact person) and says she's eager to help AHAB fill the vacancies. Current positions open are: Real Estate Sales Profession; For-Profit Rental Housing Profession; Washington State Assoc. of Counties/Western; and the Representative of Economically Disadvantaged Persons position.

BYLAWS

Tom Moak produced the revised version. Revisions include specific mention of the Executive Committee, the Nominating Committee, and the Policy Advisory Team (PAT). Also substantive is the addition of Article VI regarding Parliamentary Authority. The Board shall operate by consensus when possible; the Chair or another member may request adherence to *Robert's Rules of Order Newly Revised*. Renee Rooker cited a typographic error on page 5. There was discussion of the phrase "voting member", concluding that the phrase refers to current appointed members.

Paul Purcell motioned to approve the Bylaws with aforementioned changes; seconded by Renee Rooker; approved unanimously.

LEGISLATIVE OVERVIEW

Will Graham spoke of the current backlog of 49 bills being reviewed by CTED. Last week, the agency presented to Committees three times, reporting on the operating budget for CTED, HTF, and the transitional housing program THOR. Bills that are in the forefront are HB 1048 to appropriate \$4 million to mobile home park relocation fund. The Governor's budget proposes a \$40 million increase to the HTF.

Rep Miloscia has a number of bills out, including one to add performance measures to the Homeless Housing Act. HB 1116 creates a plan to increase homeownership to 75% by 2020. HB 1359 is a large bill to create the Affordable Housing For All Act; Rep Pettigrew has sponsored a bill to create a Land Acquisition Program, but this bill needs to be altered to eliminate the CTED administrative functions. Members of the Board suggested that the agency "go slow" with this bill and not overlook the technical aspects.

HB 1461 removes CTED from dispute resolution process and transfers it instead to the Attorney General's office. CTED has a history of providing ombudsman services, and the Housing Committee acknowledge that CTED was doing the best possible job with insufficient staff and lack of enforcement authority; CTED does not want to start an enforcement program.

HB1332 is an act to identify surplus property that might be available for low-income housing. There is a Z-draft creating statutory support for a transitional housing program; currently, there is no statutory mandate: CTED has no comment on this yet because it's not in bill form, and the final version is as yet unknown.

Heather Ballash gave a review of the Growth Management Act bills CTED has been tracking that have crossover with affordable housing and the GMA/Housing Task Force recommendations.

Will Graham gave a brief synopsis of legislation that requires agencies to conduct annual Washington State Quality Award assessments. CTED is currently involved in that assessment and plans on applying for the State award. There was lengthy discussion in regards to the focus of some legislators being on performance measures instead of providing more affordable housing. Ideas presented were: that perhaps AHAB should come up with key performance measures and indicators; inviting Representative Miloscia to visit AHAB; and using the HMIS database as a source of performance indicators.

Hugh Spitzer made a motion to convene a Task Force of the State's major providers of affordable housing to define key indicators and performance measures. 2nd by Renee Rooker. There was a unanimous vote to create the Task Force. An initial meeting time for the Task Force shall be Monday March 12, meeting at *[location not specified]*, with conference calling technology available.

DRAFT LEGISLATION FOR VALUATION OF RENTAL PROPERTY

Chris Robinson was contacted by speakerphone; he gave an overview of draft legislation regarding the valuation of affordable housing:

This issue has been a controversy for 10 years. There are no uniform measures or methodologies amongst counties on how they're approaching valuation. A Court of Appeals decision backs the "income" approach to valuation of rent-restricted properties. The bill says "income" approach would be the primary method of valuation, and the "cost" (aka "market") approach would be secondary. It focuses on rents in place, stabilized operating expenses, and a capitalization rate that would be equal to or greater than the conventional rate. There would be an obligation on the part of the owner to provide income stream information to the county assessor. The bill would allow doing either a market comparison, with adjustments, *or* a cash equivalency adjustment; the "income" approach does this directly.

A motion was made to create a letter of support for this bill to send to the Governor, to be drafted by Hugh Spitzer. The motion was seconded by Lynn Davison. The measure received unanimous support of the Board

MOBILE HOME PARK CLOSURES AND RELOCATION

CTED Staff Teri Ramsauer and Christina Aravena joined the meeting to speak to this issue.

The Relocation Program started in 1989. Between 1989-2000, there was an average of 5-6 park closures per year; around 2003, the rate of closure escalated to 13-14 parks per year closed. In 2005, there was a one-time registration of mobile home parks. OMH has been keeping the list current with respect to closures. Christina Aravena spoke about the relocation program. 20 parks thus far have given notification to close in 2007. Total number of total spaces in state is approximately 65,000. Due to growth in closures, the revenue stream of \$46,000/month has been outpaced by demand, which has been \$120,000 per month for the last year. The program currently owes \$1.8 million to people for relocation expenses. The Governor has a line item for a \$4 million appropriation (for the biennium) to the fund, which would eliminate the backlog. To be eligible for assistance, individuals must lease the space the mobile home rests upon. The program is funded by a \$100 fee on title transfers; homes must be over \$5,000 in value and be at least 1 year old.

The Board unanimously approved the support of HB5780 (*sic*)*, which declares the intent to preserve mobile Home / Manufactured Home communities. Lynn Davison will draft a letter of support for the bill, as well as thank the Governor for increasing funding.

* www.access.wa.gov lists this legislation as **SB5780**

Tom Moak remarked that a PAT report should be on the AHAB agenda, and that the revised bylaws state that a Vice-Chair is to be chosen at the first meeting of the year in odd-numbered years.

The meeting was adjourned at 2:11P.M. The next meeting is scheduled for April 11; the location is unspecified at this time.